

REPORT OF
COMMITTEE ON
PETROLEUM TANK CAR STEEL REQUIREMENTS
OF THE
NATIONAL PETROLEUM COUNCIL
June 4-5, 1947

The National Petroleum Council's Committee on Petroleum Tank Car Steel Requirements met, pursuant to call of the Vice Chairman, Mr. C. R. Musgrave, in Room 6071, New Interior Building, at 10:00 AM, June 4, A quorum was present. Mr. C. D. Fentress of the Oil and Gas Division attended the morning session and Mr. Max W. Ball, Director of the Oil and Gas Division attended the afternoon session. Mr. James V. Brown, Secretary-Treasurer of the National Petroleum Council was present the entire day. All three of these gentlemen made beneficial suggestions and recommendations.

After considering the report of April 4 of the Committee on Petroleum Rail Transportation, of which Mr. Fayette B. Dow is Chairman, and other facts available the Committee finds that there is an immediate need for steel to construct 4,000 high pressure tank cars for the transportation of liquefied petroleum gases and 7,500 Class 103 tank cars for the movement of other grades of petroleum and petroleum products.

These additional high pressure cars are required to transport LPG for essential domestic and industrial uses. The Class 103 tank cars are required to replace cars that are worn out and to meet the expanding needs of the petroleum industry for additional transportation to supply increasing civilian and industrial requirements. Unless steps are taken immediately to provide steel to construct 900 petroleum

tank cars per month, (the capacity of the builders), the existing serious shortage of transportation needed for the distribution of petroleum and petroleum products will soon present a crisis of considerable magnitude.

In the past winter a shortage of high pressure cars for the movement of liquefied petroleum gases, as most every one knows, was so acute as to cause many people to suffer. Valuable petroleum products were wasted as well as a production loss of other essential commodities. Moreover, a shortage of standard tank cars now exists which, unless improved, will make the burning oil situation extremely serious during the coming winter. Unless the production of tank cars is greatly accelerated conditions will be much worse during the winter 1947-48 than heretofore experienced, resulting in proper criticism of the Government and the petroleum industry for not taking steps to do everything humanly possible to make available the needed tank cars.

In order to utilize the available tank car building facilities it is necessary that 18,000 tons of steel per month be allocated for the construction of tank cars, which steel must reach the car builders at a uniform rate as to plate, sheet, bars, castings and other classes of material. This 18,000 tons includes that now being allocated and received by the car builders for the construction of new tank cars,

After full discussion of the problem and due deliberation the Committee adopted the following resolution:

Resolved, that it is the recommendation of this Committee that 18,000 tons of steel per month be allocated to the car building companies for the construction of tank cars to handle petroleum and its products until the car supply is in balance with the demand.

The Committee recognized that the petroleum industry was not adequately represented on the Joint Conference of representatives of the car builders, railroads, steel industry and equipment suppliers with representatives of the Office of Defense Transportation acting in an advisory capacity, and after considerable discussion adopted the following resolution:

Resolved, that the Chairman of this Committee be authorized to nominate not more than five members of this Committee to represent the petroleum industry on the Joint Conference of the car builders, railroads, steel industry and equipment suppliers with a representative of the Oil and Gas Division acting in an advisory capacity.

The Committee arranged to invite representatives of other Government agencies to meet with the Committee June 5th at 10:00 AM. Thereupon, the Committee adjourned to reconvene at 9:30 AM, June 5th. The Committee met at 9:30 AM, June 5th and the Chairman announced the appointment of the following members of the Committee to be recommended as representative to sit in the conference created to obtain steel to construct necessary rolling equipment.

B. C. Graves, Chairman

P. G. Anderson

Paul J. Bond

H. E. Coyl

C. F. Dowd

At 10:00 AM, the following gentlemen met with the Committee:

M. G. Lassek
Army-Navy Petroleum Board

A. L. Heimer
Transportation Division
War Department

W. E. Gannon
Federal Bureau of Supply
Treasury Department

Robert Glenn
Office of Defense Transportation

Porter L. Howard
Office of Defense Transportation

In the general discussion the inadequacy of the available tank car supply to meet present demands or to meet an emergency was analyzed. It was conservatively estimated that 30,000 tank cars would be retired from service in the next five years and that unless immediate steps were taken to provide steel for a prompt and orderly construction of tank cars a situation extremely difficult of correcting (because of limited car building capacity) would soon develop.

After acquainting all those present with existing conditions, it was decided that a committee be appointed to consult with Colonel J. M. Johnson to the end that he would be made aware of the critical situation developing and secure his support in any efforts he might make to secure adequate steel for the construction of tank cars. The committee selected to represent the petroleum industry in the conference to secure steel for railroad rolling stock was requested to meet with Colonel Johnson at 4:00 o'clock in the afternoon and to report back the result of such conference.

The meeting was held with Colonel Johnson and there were also present Messrs. Arthur H. Gass, Robert L. Glenn and Porter L. Howard of his staff. Colonel Johnson heard the report and told the Committee that he was aware of the essential need of tank cars, not only to meet requirements of our domestic economy but to meet the needs of any emergency and that he would do what he could with the influence and power he had, to direct steel to the car building companies for the purpose required. The Committee was unanimous in its reaction that Colonel Johnson was properly impressed and would act promptly and constructively.

The sub-committee reported the result of this conference to the Committee as a whole and the meeting then adjourned.

Respectfully submitted,

K. S. Adams, Chairman
C. R. Musgrave, Vice-Chairman
A. G. Anderson
P. G. Anderson
Paul J. Bond
E. E. Brumberg
H. E. Coyl
C. F. Dowd
H. R. Gillespie
B. C. Graves
Chas. S. Jones
J. R. Lewallen
Gilbert J. Mueller
J. R. Parten
Robert Rogers
Ralph P. Russell
R. J. Walshe
W. K. Warren